# Union Calendar No. 303

105TH CONGRESS H. R. 1023

[Report No. 105-465, Parts I and II]

# BILL

To provide for compassionate payments with regard to individuals with blood-clotting disorders, such as hemophilia, who contracted human immunodeficiency virus due to contaminated blood products, and for other purposes.

May 13, 1998

Committee on Commerce discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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105TH CONGRESS 2D SESSION

# H. R. 1023

[Report No. 105-465, Parts I and II]

To provide for compassionate payments with regard to individuals with bloodclotting disorders, such as hemophilia, who contracted human immunodeficiency virus due to contaminated blood products, and for other purposes.

#### IN THE HOUSE OF REPRESENTATIVES

March 11, 1997

Mr. Goss (for himself, Mr. Abercrombie, Mr. Ackerman, Mr. Archer, Mr. Baker, Mr. Baldacci, Mr. Barcia, Mr. Barrett of Nebraska, Mr. Bentsen, Mr. Berman, Mr. Bilbray, Mr.BILIRAKIS, BLAGOJEVICH, Mr. BONIOR, Mr. BORSKI, Mr. BOUCHER, Ms. BROWN of Florida, Mr. Bunning, Mrs. Carson, Mr. Castle, Mr. Clay, Mr. Coble, Mr. Coburn, Mr. Condit, Mr. Conyers, Mr. Coyne, Mr. CUNNINGHAM, Mr. DAVIS of Virginia, Mr. DEFAZIO, Mr. DELAHUNT, Ms. Delauro, Mr. Dellums, Mr. Deutsch, Mr. Diaz-Balart, Ms. Dunn, Mr. Ehlers, Mr. English of Pennsylvania, Mr. Ensign, Ms. ESHOO, Mr. EVANS, Mr. FALEOMAVAEGA, Mr. FARR of California, Mr. Fattah, Mr. Fazio of California, Mr. Filner, Mr. Flake, Mr. Fogli-ETTA, Mr. FOLEY, Mr. FORBES, Mr. FOX of Pennsylvania, Mr. FRANK of Massachusetts, Mr. Frost, Ms. Furse, Mr. Gallegly, Mr. Gejden-SON, Mr. GEKAS, Mr. GILCHREST, Mr. GINGRICH, Mr. GONZALEZ, Mr. GREEN, Mr. GUTIERREZ, Mr. HALL of Ohio, Mr. HASTERT, Mr. Hastings of Florida, Mr. Hayworth, Mr. Hefner, Mr. Hinchey, Mr. Holden, Mr. Horn, Ms. Jackson-Lee of Texas, Mr. Jenkins, Mrs. Johnson of Connecticut, Ms. Eddie Bernice Johnson of Texas, Mr. Kanjorski, Mrs. Kelly, Mrs. Kennelly of Connecticut, Mr. Kildee, Mr. King, Mr. Knollenberg, Mr. Kolbe, Mr. LaFalce, Mr. Lahood, Mr. Lantos, Mr. Largent, Mr. Latham, Mr. Lewis of Georgia, Mr. Maloney of Connecticut, Mrs. Maloney of New York, Mr. MANTON, Mr. MARTINEZ, Mr. MATSUI, Mr. McCollum, Mr. McDermott, Mr. McGovern, Mr. McHale, Mr. McHugh, Mr. McKeon, Ms. McKinney, Mr. Meehan, Mrs. Meek of Florida, Mr. MILLER of California, Mr. MILLER of Florida, Mrs. MINK of Hawaii, Mr. MOAKLEY, Ms. MOLINARI, Mrs. MORELLA, Mr. NADLER, Mr. NEAL of Massachusetts, Ms. Norton, Mr. Norwood, Mr. Olver, Mr. Owens, Mr. Oxley, Mr. Pastor, Mr. Payne, Ms. Pelosi, Ms. Pryce of Ohio, Mr. Rahall, Mr. Romero-Barceló, Mr. Rush, Mr. Sabo, Mr. Dan Schaefer of Colorado, Mr. Schumer, Mr. Shaw, Mr. Shays, Mr. Shu-STER, Mr. SISISKY, Mr. SKELTON, Mr. SMITH of New Jersey, Mr. STARK, Mr. STEARNS, Mr. STOKES, Mr. STUPAK, Mr. TALENT, Mr. TAY-LOR of North Carolina, Mrs. Thurman, Mr. Tierney, Mr. Torres, Mr. TOWNS, Mr. VISCLOSKY, Mr. WALSH, Mr. WATT of North Carolina, Mr. Waxman, Mr. Weldon of Pennsylvania, Mr. Wolf, Mr. Wynn, Mr. Yates, Mr. Weller, Mr. Schiff, Mr. Bishop, Mr. Boehlert, Mr. Brown of California, and Mr. Spratt) introduced the following bill; which was referred to the Committee on the Judiciary, and in addition to the Committees on Commerce and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

#### March 25, 1998

Reported from the Committee on the Judiciary with amendments [Strike out all after the enacting clause and insert the part printed in italic]

#### March 25, 1998

Referral to the Committees on Commerce and Ways and Means extended for a period ending not later than June 2, 1998

#### May 7, 1998

Reported from the Committee on Ways and Means with amendments [Omit the part struck through in italic and insert the part printed in boldface roman]

#### May 13, 1998

Additional sponsors: Mr. Davis of Illinois, Mr. Clyburn, Mr. Menendez, Mr. Wexler, Ms. Christian-Green, Mr. Jackson of Illinois, Mrs. EMERSON, Mr. CARDIN, Mr. MARKEY, Mr. YOUNG of Florida, Ms. DEGETTE, Mr. HILLIARD, Mr. JEFFERSON, Mr. RANGEL, Mr. TRAFI-CANT, Mrs. LOWEY, Mr. DIXON, Mr. RAMSTAD, Ms. STABENOW, Mr. ALLEN, Mr. McNulty, Mr. Costello, Mr. Gilman, Mr. Lucas of Oklahoma, Mr. Sanders, Mr. Shadegg, Mr. Levin, Mr. Hoekstra, Mr. Gibbons, Mrs. Fowler, Ms. Kilpatrick, Mr. Spence, Mr. Ford, Mr. Kind, Mr. Mascara, Mr. Watkins, Ms. Woolsey, Mr. Weygand, Mr. HINOJOSA, Mr. GREENWOOD, Mr. KENNEDY of Massachusetts, Mr. PASCRELL, Mr. COOK, Mr. BAESLER, Mr. DAVIS of Florida, Mr. CAMP, Mr. Chambliss, Mr. Lewis of California, Mr. John, Mr. Mica, Mr. GILLMOR, Mr. WELDON of Florida, Mr. MORAN of Virginia, Mr. INGLIS of South Carolina, Mr. Murtha, Mrs. McCarthy of New York, Mr. HULSHOF, Mr. CALVERT, Ms. LOFGREN, Ms. DANNER, Mr. THOMPSON, Mr. ROTHMAN, Mr. PETERSON of Minnesota, Mr. Capps, Mr. Leach, Mr. Oberstar, Mr. Engel, Mr. Upton, Mr. Underwood, Mr. Price of North Carolina, Ms. Slaughter, Mr. Solomon, Mr. Lazio of New York, Mr. Bachus, Mr. Deal of Georgia, Ms. Waters, Mr. Doyle, Ms. Valázquez, Mr. Turner, Mr. McCrery, Mr. Linder, Ms. Ros-Lehtinen, Mr. Andrews, Ms. McCarthy of Missouri, Mr. Lampson, Mr. Sessions, Mr. Smith of Michigan, Mr. Jones, Mr. Wicker, Mrs. Linda Smith of Washington, Mr. Burr of North Carolina, Mr. McDade, Mr. Ballenger, Mr. Tauzin, Mr. Pitts, Mr. Clement, Mr. Dickey, Mr. Bateman, Mr. Johnson of Wisconsin, Mr. Pallone, Mr. Aderholt, Mr. Goodling, Mr. Duncan, Mr. Cramer, Mr. Lobiondo, Mr. Nussle, Mr. Kennedy of Rhode Island, Mr. Houghton, Mr. Rogers, Mr. Quinn, Mr. Etheridge, Mrs. Northup, Ms. Kaptur, Mr. Christensen, Mr. Portman, Mr. Klink, Mr. Regula, and Mr. Poshard

#### May 13, 1998

Committee on Commerce discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed [For text of introduced bill, see copy of bill as introduced on March 11, 1997]

# A BILL

To provide for compassionate payments with regard to individuals with blood-clotting disorders, such as hemophilia, who contracted human immunodeficiency virus due to contaminated blood products, and for other purposes.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.
- 4 (a) Short Title.—This Act may be cited as the
- 5 "Ricky Ray Hemophilia Relief Fund Act of 1998".
- 6 (b) Table of Contents of this
- 7 Act is as follows:

Sec. 1. Short title; table of contents.

#### TITLE I—HEMOPHILIA RELIEF FUND

Sec. 101. Ricky Ray Hemophilia Relief Fund.

Sec. 102. Compassionate payment relating to individuals with blood-clotting disorders and HIV.

Sec. 103. Determination and payment.

- Sec. 104. Limitation on transfer of rights and number of petitions.
- Sec. 105. Time limitation.
- Sec. 106. Certain claims not affected by payment.
- Sec. 107. Limitation on agent and attorney fees.
- Sec. 108. Definitions.

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TITLE II—TREATMENT OF CERTAIN PRIVATE SETTLEMENT PAY-MENTS IN HEMOPHILIA-CLOTTING-FACTOR SUIT UNDER THE MEDICAID AND SSI PROGRAMS

Sec. 201. Treatment of certain private settlement payments in hemophilia-clotting-factor suit under the Medicaid and SSI programs.

# TITLE I—HEMOPHILIA RELIEF

# 2 **FUND**

- 3 SEC. 101. RICKY RAY HEMOPHILIA RELIEF FUND.
- 4 (a) Establishment.—There is established in the
- 5 Treasury of the United States a trust fund to be known
- 6 as the "Ricky Ray Hemophilia Relief Fund", which shall
- 7 be administered by the Secretary of the Treasury.
- 8 (b) Investment of Amounts in Fund.—Amounts in
- 9 the Fund shall be invested in accordance with section 9702
- 10 of title 31, United States Code, and any interest on and
- 11 proceeds from any such investment shall be credited to and
- 12 become part of the Fund.
- 13 (c) Availability of Fund.—Amounts in the Fund
- 14 shall be available only for disbursement by the Secretary
- 15 of Health and Human Services under section 103.
- 16 (d) Termination.—The Fund shall terminate upon
- 17 the expiration of the 5-year period beginning on the date
- 18 of the enactment of this Act. If all of the amounts in the
- 19 Fund have not been expended by the end of the 5-year pe-
- 20 riod, investments of amounts in the Fund shall be liq-

1	uidated, the receipts of such liquidation shall be deposited
2	in the Fund, and all funds remaining in the Fund shall
3	be deposited in the miscellaneous receipts account in the
4	Treasury of the United States.
5	(e) Authorization of Appropriations.—There is
6	authorized to be appropriated to the Fund to carry out this
7	title \$750,000,000.
8	SEC. 102. COMPASSIONATE PAYMENT RELATING TO INDI-
9	VIDUALS WITH BLOOD-CLOTTING DISORDERS
10	AND HIV.
11	(a) In General.—If the conditions described in sub-
12	section (b) are met and if there are sufficient amounts in
13	the Fund to make each payment, the Secretary shall make
14	a single payment of \$100,000 from the Fund to any indi-
15	vidual who has an HIV infection and who is described in
16	one of the following paragraphs:
17	(1) The individual has any form of blood-clotting
18	disorder, such as hemophilia, and was treated with
19	antihemophilic factor at any time during the period
20	beginning on July 1, 1982, and ending on December
21	31, 1987.
22	(2) The individual —
23	(A) is the lawful spouse of an individual de-
24	scribed in paragraph (1); or

- 1 (B) is the former lawful spouse of an indi-2 vidual described in paragraph (1) and was the lawful spouse of the individual at any time after 3 4 a date, within the period described in such sub-5 paragraph, on which the individual was treated 6 as described in such paragraph and through 7 medical documentation can assert reasonable cer-8 tainty of transmission of HIV from individual 9 described in paragraph (1).
- 10 (3) The individual acquired the HIV infection 11 through perinatal transmission from a parent who is 12 an individual described in paragraph (1) or (2).
- 13 (b) CONDITIONS.—The conditions described in this 14 subsection are, with respect to an individual, as follows:
  - (1) Submission of medical documentation of hiv infection.—The individual submits to the Secretary written medical documentation that the individual has an HIV infection.
- 19 (2) Petition.—A petition for the payment is 20 filed with the Secretary by or on behalf of the individ-21 ual.
- (3) Determination.—The Secretary determines,
   in accordance with section 103(b), that the petition
   meets the requirements of this title.

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### 1 SEC. 103. DETERMINATION AND PAYMENT.

2	(a) Establishment of Filing Procedures.—The
3	Secretary of Health and Human Services shall establish
4	procedures under which individuals may submit petitions
5	for payment under this title. The procedures shall include
6	a requirement that each petition filed under this Act in-
7	clude written medical documentation that the relevant indi-
8	vidual described in section 102(a)(1) has (or had) a blood-
9	clotting disorder, such as hemophilia, and was treated as
10	described in such section.
11	(b) Determination.—For each petition filed under
12	this title, the Secretary shall determine whether the petition
13	meets the requirements of this title.
14	(c) Payment.—
15	(1) In general.—To the extent there are suffi-
16	cient amounts in the Fund to cover each payment, the
17	Secretary shall pay, from the Fund, each petition
18	that the Secretary determines meets the requirements
19	of this title in the order received.
20	(2) Payments in case of deceased individ-
21	UALS.—
22	(A) In General.—In the case of an indi-
23	vidual referred to in section 102(a) who is de-
24	ceased at the time that payment is made under
25	this section on a petition filed by or on behalf of

1	the individual, the payment shall be made as fol-
2	lows:
3	(i) If the individual is survived by a
4	spouse who is living at the time of payment,
5	the payment shall be made to such surviv-
6	ing spouse.
7	(ii) If the individual is not survived by
8	a spouse described in clause (i), the pay-
9	ment shall be made in equal shares to all
10	children of the individual who are living at
11	the time of the payment.
12	(iii) If the individual is not survived
13	by a person described in clause (i) or (ii),
14	the payment shall be made in equal shares
15	to the parents of the individual who are liv-
16	ing at the time of payment.
17	(iv) If the individual is not survived
18	by a person described in clause (i), (ii), or
19	(iii), the payment shall revert back to the
20	Fund.
21	(B) Filing of petition by survivor.—If
22	an individual eligible for payment under section
23	102(a) dies before filing a petition under this
24	title, a survivor of the individual may file a pe-
25	tition for payment under this title on behalf of

1	the individual if the survivor may receive pay-
2	$ment\ under\ subparagraph\ (A).$
3	(C) Definitions.—For purposes of this
4	paragraph:
5	(i) The term "spouse" means an indi-
6	vidual who was lawfully married to the rel-
7	evant individual at the time of death.
8	(ii) The term "child" includes a recog-
9	nized natural child, a stepchild who lived
10	with the relevant individual in a regular
11	parent-child relationship, and an adopted
12	child.
13	(iii) The term "parent" includes fa-
14	thers and mothers through adoption.
15	(3) Timing of payment.—The Secretary may
16	not make a payment on a petition under this title be-
17	fore the expiration of the 120-day period beginning on
18	the date of the enactment of this Act or after the expi-
19	ration of the 5-year period beginning on the date of
20	the enactment of this Act.
21	(d) Action on Petitions.—The Secretary shall com-
22	plete the determination required by subsection (b) regarding
23	a petition not later than 120 days after the date the petition
24	is filed under this title.

- (e) Humanitarian Nature of Payment.—This Act 1 does not create or admit any claim of or on behalf of the 3 individual against the United States or against any officer, employee, or agent thereof acting within the scope of employment or agency that relate to an HIV infection arising from treatment with antihemophilic factor, at any time during the period beginning on July 1, 1982, and ending 8 on December 31, 1987. A payment under this Act shall, however, when accepted by or on behalf of the individual, be in full satisfaction of all such claims by or on behalf 10 of that individual. 11 (f) Administrative Costs Not Paid From Fund.— 12 No costs incurred by the Secretary in carrying out this title may be paid from the Fund or set off against, or otherwise 14 15 deducted from, any payment made under subsection (c)(1). 16 (q) Termination of Duties of Secretary.—The
- 19 (h) Treatment of Payments Under Other

duties of the Secretary under this section shall cease when

- 20 Laws.—A payment under subsection (c)(1) to an individ-
- 21 *ual*—

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- 22 (1) shall be treated for purposes of the internal
- 23 revenue laws of the United States as damages received
- 24 on account of personal injuries or sickness;

the Fund terminates.

- (1) shall be treated for purposes of the Internal Revenue Code of 1986 as damages described in section 104(a)(2) of such Code;
- (2) shall not be included as income or resources for purposes of determining the eligibility of the individual to receive benefits described in section 3803(c)(2)(C) of title 31, United States Code, or the amount of such benefits, and such benefits shall not be secondary to, conditioned upon reimbursement from, or subject to any reduction because of receipt of, any such payment; and
  - (3) shall not be treated as a third party payment or payment in relation to a legal liability with respect to such benefits and shall not be subject (whether by subrogation or otherwise) to recovery, recoupment, reimbursement, or collection with respect to such benefits (including the Federal or State governments or any entity that provides such benefits under a contract).
- 21 (i) REGULATORY AUTHORITY.—The Secretary may 22 issue regulations necessary to carry out this title.
- 23 (j) Time of Issuance of Procedures.—The Sec-24 retary shall, through the promulgation of appropriate regu-25 lations, guidelines, or otherwise, first establish the proce-

- 1 dures to carry out this title not later than 120 days after
- 2 the date of the enactment of this Act.
- 3 SEC. 104. LIMITATION ON TRANSFER OF RIGHTS AND NUM-
- 4 BER OF PETITIONS.
- 5 (a) Rights Not Assignable or Transferable.—
- 6 Any right under this title shall not be assignable or trans-
- 7 ferable.
- 8 (b) 1 Petition With Respect to Each Victim.—
- 9 With respect to each individual described in paragraph (1),
- 10 (2), or (3) of section 102(a), the Secretary may not make
- 11 payment with respect to more than 1 petition filed in re-
- 12 spect to an individual.
- 13 SEC. 105. TIME LIMITATION.
- 14 The Secretary may not make any payment with re-
- 15 spect to any petition filed under this title unless the petition
- 16 is filed within 3 years after the date of the enactment of
- 17 this Act.
- 18 SEC. 106. CERTAIN CLAIMS NOT AFFECTED BY PAYMENT.
- 19 A payment made under section 103(c)(1) shall not be
- 20 considered as any form of compensation, or reimbursement
- 21 for a loss, for purposes of imposing liability on the individ-
- 22 ual receiving the payment, on the basis of such receipt, to
- 23 repay any insurance carrier for insurance payments or to
- 24 repay any person on account of worker's compensation pay-
- 25 ments. A payment under this title shall not affect any claim

1	against an insurance carrier with respect to insurance of
2	against any person with respect to worker's compensation
3	SEC. 107. LIMITATION ON AGENT AND ATTORNEY FEES.
4	Notwithstanding any contract, the representative of an
5	individual may not receive, for services rendered in connec
6	tion with the petition of an individual under this title, more
7	than 2 percent of a payment made under this title on the
8	petition. Any such representative who violates this section
9	shall be fined not more than \$50,000.
10	SEC. 108. DEFINITIONS.
11	For purposes of this title:
12	(1) The term "AIDS" means acquired immun
13	deficiency syndrome.
14	(2) The term "Fund" means the Ricky Ray He
15	mophiliaReliefFund.
16	(3) The term "HIV" means human immuno
17	deficiency virus.
18	(4) Unless otherwise provided, the term "Sec
19	retary" means Secretary of Health and Human
20	Services.

1	TITLE H—TREATMENT OF CER-
2	TAIN PRIVATE SETTLEMENT
3	PAYMENTS IN HEMOPHILIA-
4	CLOTTING-FACTOR SUIT
5	UNDER THE MEDICALD AND
6	SSI PROGRAMS
7	SEC. 201. TREATMENT OF CERTAIN PRIVATE SETTLEMENT
8	PAYMENTS IN HEMOPHILIA-CLOTTING-FAC-
9	TOR SUIT UNDER THE MEDICAID AND SSI
10	PROGRAMS.
11	(a) In General.—Notwithstanding any other provi-
12	sion of law, a settlement payment shall not be considered
13	income or resources in determining a class member's eligi-
14	bility for, or the amount of—
15	(1) medical assistance under title XIX of the So-
16	cial Security Act, or
17	(2) supplemental security income benefits under
18	title XVI of such Act.
19	(b) DEFINITIONS.—For purposes of this section:
20	(1) Class member.—The term "class member"
21	means a member of the Settlement Class in the settle-
22	ment in In Re Factor VIII or IX Concentrate Blood
23	Products Litigation (United States District Court,
24	Northern District of Illinois, Eastern Division; Civil
25	Action No. 96-C-5024).

1	(2) Settlement payment.—The term "settle-
2	ment payment" means a payment to a class member
3	under the settlement described in paragraph (1).
4	TITLE II—TREATMENT OF CER-
5	TAIN PAYMENTS IN HEMO-
6	PHILIA-CLOTTING-FACTOR
7	SUIT UNDER THE SSI PRO-
8	GRAM
9	SEC. 201. TREATMENT OF CERTAIN PAYMENTS IN HEMO-
10	PHILIA-CLOTTING-FACTOR SUIT UNDER THE
11	MEDICAID AND SSI PROGRAMS.
12	(a) PRIVATE PAYMENTS.—
13	(1) IN GENERAL.—Notwithstanding any
14	other provision of law, the payments de-
15	scribed in paragraph (2) shall not be con-
16	sidered income or resources in determin-
17	ing eligibility for, or the amount of—
18	(A) medical assistance under title
19	XIX of the Social Security Act, or
20	(B) supplemental security income
21	benefits under title XVI of the Social
22	Security Act .
23	(2) PRIVATE PAYMENTS DESCRIBED.—
24	The payments described in this sub-
25	section are—

1	(A) payments made from any fund
2	established pursuant to a class settle-
3	ment in the case of Susan Walker v.
4	Bayer Corporation, et al., 96-C-5024
5	(N.D. Ill.); and
6	(B) payments made pursuant to a
7	release of all claims in a case—
8	(i) that is entered into in lieu
9	of the class settlement referred to
10	in subparagraph (A); and
11	(ii) that is signed by all af-
12	fected parties in such case on or
13	before the later of—
14	(I) December 31, 1997, or
15	(II) the date that is 270
16	days after the date on which
17	such release is first sent to
18	the persons (or the legal rep-
19	resentative of such persons)
20	to whom the payment is to be
21	made.
22	(b) GOVERNMENT PAYMENTS.—
23	(1) IN GENERAL.—Notwithstanding any
24	other provision of law, the payments de-
25	scribed in paragraph (2) shall not be con-

- sidered income or resources in determin-
- 2 ing eligibility for, or the amount of sup-
- 3 plemental security income benefits under
- 4 title XVI of the Social Security Act.
- 5 (2) GOVERNMENT PAYMENTS DE6 SCRIBED.—The payments described in this
  7 subsection are payments made from the
  8 fund established pursuant to section 101
- 9 of this Act.

Amend the title so as to read: "A bill to provide for compassionate payments with regard to individuals with blood-clotting disorders, such as hemophilia, who contracted human immunodeficiency virus due to contaminated antihemophilic factor, and for other purposes.".